

**STATEMENT OF ROBERT W. GEE  
PRESIDENT, GEE STRATEGIES GROUP, LLC  
BEFORE THE  
BLUE RIBBON COMMISSION ON AMERICA'S NUCLEAR FUTURE  
OCTOBER 20, 2011  
WASHINGTON, D.C.**

**DEAR COMMISSION MEMBERS:**

**BACKGROUND AND INTRODUCTION**

My name is Robert W. Gee. I am President of Gee Strategies Group LLC, a policy analysis and advocacy consulting firm for the energy, utility and critical infrastructure industries, which I founded in 2000. Throughout my entire professional career, my work has centered primarily on energy policy and utility regulation. My complete biography is attached and incorporated into this statement. However, of relevance here, I wish to highlight several features of my work history.

From 1991 to 1997, I served as a Commissioner of the Public Utility Commission of Texas (PUC or Commission) and as its Chairman from 1991 through 1995. The Commission regulated the rates and services of the Texas power sector, which included 10 investor-owned utilities, 78 distribution cooperatives, 8 generation-and-transmission cooperatives, and 4 river authorities. In this job, I was responsible for regulating the largest volume of electric power in a single state in the United States, as Texas led all states in the total amount of electricity generated and consumed. At the time, Texas relied on power generated from four nuclear plants. Two plants (Comanche Peak and South Texas Nuclear Project) were situated within the state, while the two others were sited in other states but served customers located in Texas (River Bend and Palo Verde).

While a Commissioner, I also served as Chairman of the Committee on Electricity for the National Association of Regulatory Utility Commissioners (NARUC), the national organization representing the collective interests of state public utility commissions in the United States. I held that leadership position from 1995 through 1997. I was required to act as the organization's lead advocate before Congress and as the primary interlocutor with the electric utility industry at the national level.

During this period (in the mid-1990's), the question of the timely disposition of spent nuclear fuel was already of deep concern. In my capacity as a Texas Public Utility Commissioner and leader in NARUC, I spent considerable time and effort in representing state interests to ensure that the requirements of the Nuclear Waste Policy Act of 1982 were successfully followed. That act effectively obligated utility ratepayers to make contributions into a trust intended to finance the commercial share of disposition of spent nuclear fuel by the US Government. At the time,

ratepayers from my state had paid approximately \$140 million into the trust (today that sum is \$678 million). I twice visited the ongoing construction of the proposed repository at Yucca Mountain. Also, I and other state commissioners visited with the then-Secretary of Energy to impress upon her our concerns that the US Department of Energy would not be able to adhere to the time requirements of the Nuclear Waste Policy Act, and take custody of spent nuclear fuel as therein prescribed. Finally, to learn of additional options for reuse of spent nuclear fuel, I visited nuclear fuel reprocessing sites in France, Japan, and the United Kingdom to see how those countries had opted to handle and dispose of spent nuclear fuel.

### **COMMENTS ON THE BLUE RIBBON COMMISSION DRAFT REPORT**

I commend the members of this Commission for undertaking the Herculean task of evaluating options for disposition of our country's spent nuclear fuel. As the Commission itself has characterized in its draft report, our country's policy on this matter has "been troubled for decades and all but broken down", acknowledging that "the U.S. nuclear waste program has been one of broken promises and unmet commitments."

Overall, the draft report is masterful in its review of this troubled history and identifying practical pathways for real outcomes. I especially laud your recommendation to create a new, independent, government-chartered corporation solely focused on managing nuclear fuel and high-level radioactive wastes, as well as the recommendation to adopt measures to assure that the nuclear waste program has access to the fees being collected from nuclear utilities and ratepayers to finance the commercial share of the waste program's expenses.

Only in one aspect does my opinion diverge from your recommendations. The Commission found it "premature to reach consensus" and thereby make a recommendation on "whether our country should commit, as a matter of policy, to 'closing' the nuclear fuel cycle (i.e., commit to recovering and reusing some components of spent fuel)", referencing "large uncertainties that exist about the merits and commercial viability of different fuel cycles and technology options." Declining to "commit irreversibly to a particular fuel cycle", the Commission preferred that "RD & D should continue on a range of reactor and fuel cycle technologies, . . . that have the potential to deliver societal benefits at different times in the future."

While I fully understand the Commission's basis for this draft recommendation, this is a missed opportunity to redirect energy policy. The process of recycling and reusing spent nuclear fuel has been a part of the global nuclear power industry for decades. Despite the fact that the United States leads the world by virtue of its civilian nuclear power reactor capacity, it opted out of this path years ago. The Government's decision was grounded in nonproliferation policy, and not from any technology barriers.

The difficulty with the Commission's draft recommendation is that it is entirely open-ended with no effective benchmarks for determining just "when" would be the optimal point to determine whether to proceed with a "closed" fuel cycle approach (or any advanced back-end fuel recovery

approach). When I first visited spent fuel reprocessing facilities almost 20 years ago, I became convinced that the US Government had prematurely foreclosed the recycling option, and thereby had ceded the opportunity to lead technology advancement in this area. The Commission's draft recommendation -- finding circumstances "premature" to offer direction -- unfortunately means that another 20 years could pass without closure. The state of technology advancements, and economic circumstances, will always be in a state of flux; there will never be a perfect (or optimal) convergence of variables within which to make the timing of such a decision better or superior.

The Commission should not allow the perfect to be the enemy of the good. I join in the recommendation being made by others that the Commission endorse a phased approach to closing the fuel cycle, which contemplates a pilot recycling facility that utilizes best available technology. With this approach, RD & D can continue to build incrementally on today's technology, yield improved plant operating performance, and provide a platform for further progress on an advanced fuel cycle designed to meet US specifications. This approach, rather than the deferral recommended in the Commission's draft report, would result in creating a broader set of options that would complement the still existing need to site, build, and maintain a permanent spent fuel repository.

Thank you for the opportunity to allow my statement to be included in the record.



## ROBERT W. GEE

**Robert W. Gee** is President of Gee Strategies Group LLC, a consulting firm providing policy analysis, advocacy, and litigation support services for the energy, electric utility and critical infrastructure industries based in Washington, D.C. A thought leader for the energy industry for over 30 years, his diverse client base includes investors, trade associations, utilities, and public sector institutions. He bears an impressive record of achievement as a seasoned Washington and Texas-based senior public official, attorney, and executive performing complex assignments involving major energy and telecommunications issues at the state, national, and international level.

He has testified numerous times before the United States Congress, and been quoted by news media, including *Reuters*, *USA Today*, *The Wall Street Journal*, the *Los Angeles Times*, *National Journal*, BBC television, and CNBC television. His editorials have appeared in the *Los Angeles Times*, the *Dallas Morning News*, and the *Houston Chronicle*.

He served as Vice President for Development and Partner Relations for the Electricity Innovation Institute (E2I), an affiliate of the Electric Power Research Institute (EPRI), where he advocated development of the “smart grid” to digitize the electric utility power delivery system.

From 1997 to 2000 he served as Assistant Secretary for Policy and International Affairs and as Assistant Secretary for Fossil Energy of the U.S. Department of Energy in Washington, D.C. He chaired the Energy Department’s Central Asia/Caspian energy strategy, and was responsible for the timely completion of the Department’s 1998 Comprehensive National Energy Strategy. He also oversaw the operation of the Strategic Petroleum Reserve, and the national research program to develop and demonstrate advanced clean coal, natural gas, and petroleum technologies.

From 1991 until 1997 he served on the Public Utility Commission of Texas and as its Chairman from 1991 through 1995. During his service, he chaired the Committee on Electricity for the National Association of Regulatory Utility Commissioners.

He has served as an Attorney Advisor at the Interstate Commerce Commission and as a Supervisory Trial Attorney at the Federal Energy Regulatory Commission. He held the position of General Attorney at Tenneco Oil Company, and was Of Counsel to the law firm of Akin, Gump, Strauss, Hauer & Feld.

He currently serves as President of Asian Americans in Energy, the Environment, and Commerce (AE<sup>2</sup>C); as a member of the Development Advisory Board of C12 Energy; and as member of the Board of the Northeast-Midwest Institute. He is also a member of the National Petroleum Council, a federal advisory committee to the US Secretary of Energy. He is a member of the Committee of 100, and previously served on its Board. His past affiliations included serving as a Trustee for St. Edward’s University in Austin, Texas, and as a member of the Dallas Regional Panel of the President’s Commission on White House Fellowships.

Mr. Gee received a Bachelor of Arts Degree in government with honors from the University of Texas and a Doctor of Jurisprudence degree from the University of Texas School of Law.